

REPORT

ON THE PROPOSED

SAN DIEGO STREET LIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 1

**IN THE CITY OF SAN DIEGO UNDER THE PROVISIONS OF
THE SAN DIEGO MAINTENANCE ASSESSMENT DISTRICT ORDINANCE**

FISCAL YEAR 2003

**PRESENTED to the City Council and APPROVED by
Resolution No. _____ ,
adopted by said City Council on _____ ,
and thereafter filed in the office of the City Clerk.**

City Clerk of the City of San Diego

The maintenance services described herein are to be provided in accordance with the San Diego Maintenance Assessment District Ordinance. This Report is prepared in compliance with Division 2, Article 5, Chapter VI of the San Diego Municipal Code, and Section 4, Article XIID of the California Constitution, and is submitted to the Council for its approval. The Report is as follows:

A. HISTORY:

The San Diego Street Lighting Maintenance Assessment District No. 1 ("District") was established by Council Resolution Number R-200411, adopted July 28, 1970, under provisions of the San Diego Maintenance District Procedural Ordinance of 1969. The District provides funding for the energy and maintenance costs for lighting levels above standard City "safety" lighting. New lighting areas are added to the District by annexation of sub-districts. There are currently 53 sub-district area's in the District. The cost of maintenance and provision of electrical energy for the street lights is financed by a special assessment of the property owners within the District and is collected by the County Assessor through property tax billing.

The District is shown on the modified assessment district map on file in the office of the City Clerk under Document No. _____, by reference herein made a part of this report. Said document shows the location of the public improvements within the District proposed to be maintained and each lot or parcel of land abutting such public improvements or otherwise benefiting from such maintenance. We have given each lot or parcel of land a separate number.

B. PROPOSITION 218 COMPLIANCE:

The District was balloted in Fiscal Year 1998 for compliance with Proposition 218. By a mail ballot proceeding, property owners approved the District with 68.61% of weighted votes supporting the proposed assessments. Over 36% of property owners responded to the mail ballot.

The Engineer's Report, preliminarily accepted in Fiscal Year 1998 by Resolution Number R-288824 on June 8, 1997, proposed Fiscal Year 1998 assessments and provisions for annual cost indexing of the maximum authorized assessments. The Engineer's Report was approved and assessments confirmed by Resolution Number R-289046 on August 5, 1997.

C. SUBDISTRICTS:

The District currently includes fifty-seven (57) sub-districts that are listed in Exhibit A of this Report. However, under a new City policy regarding Acorn Street Lights for Historic Districts in High Crime Areas Resolution Number R-296200 on March 18, 2002, four (4) of the sub-districts are granted a special benefit and will no longer be assessed beginning in Fiscal Year 2003.

D. SERVICES:

The necessary services include, but are not limited to, supplying electrical energy, replacing lamps and glassware, and providing maintenance to lighting fixtures and poles.

E. ANNUAL COST:

The necessary maintenance services will be performed through contracts awarded or to be awarded by the City Council. The estimated annual cost of the maintenance service within the District for Fiscal Year 2003 is as follows:

DESCRIPTION	FUND		TOTAL
	OPERATIONS	RESERVE	
BEGINNING FUND BALANCE	\$145,421.00	\$0.00	\$145,421.00
REVENUE:			
District Assessments	\$275,015.00	\$0.00	\$275,015.00
Interest	\$0.00	\$4,000.00	\$4,000.00
City Contribution:			
Safety Lighting	\$168,534.00	\$0.00	\$168,534.00
TOTAL REVENUE	\$443,549.00	\$4,000.00	\$447,549.00
TRANSFERS			
From Reserve	(\$122,017.00)	\$122,017.00	\$0.00
TOTAL CASH AVAILABLE	\$466,953.00	\$126,017.00	\$592,970.00
EXPENSE:			
Electrical/Energy	\$270,000.00	\$0.00	\$270,000.00
Maintenance:			
Operations (In-kind services)	\$125,000.00	\$0.00	\$125,000.00
Engineering & Misc	\$60,453.00	\$0.00	\$60,453.00
Transfer to Other Funds	\$11,500.00	\$0.00	\$11,500.00
TOTAL EXPENSE	\$466,953.00	\$0.00	\$466,953.00
ENDING FUND BALANCE	\$0.00	\$126,017.00	\$126,017.00

The period of maintenance services shall be for one year, terminating on June 30, 2003.

F. GENERAL BENEFIT:

The general benefit for maintenance of the District lighting is being paid by City in the form of in-kind maintenance services to the District. Approximately 40% of the street lights within the boundaries of each sub-district are required for "safety lighting." The City is responsible for providing maintenance service and electrical energy for these lights. For Fiscal Year 2003, the general benefit cost for the "safety lighting" within the District is estimated to be \$168,534.

G. APPORTIONMENT METHODOLOGY:

It is proposed that the assessable costs for the maintenance and energy services to be provided be “spread” to the individual parcels within the District as follows:

1. SUBDISTRICT COSTS:

Energy and maintenance costs to each sub-district within the District are based on the type, wattage, and the number of lights, lighting fixtures and poles in each sub-district. Prorated shares of the total District maintenance and repair costs and the incidental costs are also added to individual sub-district costs. In Fiscal Year 2003 the energy costs are projected to be 9.5% higher than the Fiscal Year 2002 energy costs.

SUBDISTRICT ASSESSABLE FRONTAGE:

Because there is a direct relationship between the special benefit received from additional street lighting and the length of street frontage, sub-district costs are assessed to properties based on the linear feet of assessable parcel street frontage.

For purposes of this Report, assessable frontage is defined as that distance which is directly adjacent to the public right-of-way. Assessable frontage in each sub-district is audited and updated annually by City staff as parcel changes occur. Changes in the annual sub-district assessable frontage may result in sub-district rate changes from year to year. Exhibit A lists Fiscal Year 2003 assessable frontage for each of the sub-districts.

2. SUBDISTRICT RATES:

Rates for each sub-district are calculated by dividing the total sub-district cost by the assessable frontage (cost per lineal frontage foot). These rates are then multiplied by each parcel's assessable frontage to determine individual assessments. Exhibit A lists rates for each of the subdistricts.

H. ANNUAL COST INDEXING:

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to conform and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of preparing an engineer's report, ballot, and public hearing process can potentially exceed the total cost of the increase. The incidental costs of the proceedings can be added to the assessments, thereby increasing the assessments even higher.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U) allows for minor increases (or decreases) for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in assessment initiated by an increase in service

provided or other significant changes to the sub-districts would still require the Proposition 218 proceedings and property owner approval.

As approved in the Fiscal Year 1998 proceedings, the maximum authorized assessment, established in this report for each sub-district may be indexed (increased or decreased) annually by the factor published in the SDCPIU. Fiscal Year 1999 was the first year authorized for such indexing. An increase of assessments, as authorized by the cost indexing provisions, is not included for Fiscal Year 2003. The assessments for each sub-district are the same as Fiscal Year 2002.

FISCAL YEAR 2003 ASSESSMENTS:

It is proposed that the assessable costs, enumerated above, be assessed to all lots or parcels of land within the District in proportion to the estimated benefits to be received by such lots or parcels. Assessments for each parcel are shown in Exhibit B (Assessment Roll) attached hereto and made a part herein.

This report has been respectfully submitted by,

Frank Belock,
SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO